

FISCAL NOTE

Bill #: HB0031

Title: Revise election laws to place HB 32 on November ballot

Primary Sponsor: Alan Olson

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2003 Difference</u>	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:			
Proprietary	\$45,000	0	0
Revenue:			
General Fund	(\$560,000)	(\$1,200,000)	(\$1,580,000)
K-12 Education	\$8,000,000	\$8,000,000	\$8,000,000
Net Impact on General Fund Balance:	(\$560,000)	(\$1,200,000)	(\$1,580,000)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. HB 31 revises the election laws temporarily until October 1, 2002, to enable a ballot measure contained in HB 32 to be put on the November ballot.
2. The Secretary of State would have increased costs for the voter information pamphlet of about \$10,000 (8 pages x 525 x .00237 per page) for printing and \$35,000 for distribution for a total of about \$45,000 in proprietary expenditures.
3. The official ballot measure would require a formal fiscal note by the attorney general in accordance with 13-27-312, MCA.
4. For purposes of this hasty fiscal note, if the ballot measure were approved, the Legislature would dedicate not less than one-fourth of the coal severance tax to funding schools. This would provide about \$8 million per year to education.

(continued)

5. With \$8 million less being deposited to the coal severance tax trust fund, at about 7% interest there would be a loss to the general fund of about \$560,000 the first year, \$1.2 million the second year and \$1.580 million the third year.
6. There is no guarantee in the ballot measure that funding for schools would increase as a result of this measure.
7. Therefore, it could be interpreted that the net impact to the general fund would be the lost coal severance tax interest earnings or would be the net of the increased funding available for K-12 minus the lost earnings.

FISCAL IMPACT:

	<u>FY 2003 Difference</u>	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Secretary of State			
<u>Expenditures:</u>			
Operating Costs	\$45,000	0	0
<u>Funding:</u>			
Proprietary	\$45,000		
<u>Revenues:</u>			
General Fund (01)	(\$560,000)	(\$1,200,000)	(\$1,580,000)
K-12 Education	\$8,000,000	\$8,000,000	\$8,000,000
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>			
General Fund (01)	(\$560,000)	(\$1,200,000)	(\$1,580,000)

LONG-TERM IMPACTS:

The intent of the bill is to provide \$8 million more per year for K-12. The loss of the corpus of the coal severance tax trust fund would be permanent.